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October 4, 2004

Monica Borne Haab
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Philip R. Adams, Jr.

BY OVERNIGHT DELIVERY

Tennessee Regulatory Authority
Ms. Sharla Dillon, Docket Room
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Joint Application of ITC^DeltaCom, Inc., Southern Digital Network, Inc.
D/b/a FDN Communications, Inc. And Network Telephone Corporation,
For Approval of the Acquisition of FDN and NT by ITC^DeltaCom, Inc.
And for Consent to the Indirect Transfer of Control of (1) Interstate
FiberNet, Inc., (2) Business Telecom, Inc. D/b/a BTI, and (3)
ITC^DeltaCom Communications, Inc. D/b/a ITC^DeltaCom and d/b/a
Grapevine
Docket No. 04-00287

Dear Ms. Dillon:

Please find responses to Data Request No. 1 in the above referenced docket.

1. *What other states have you filed this petition with and what have been the results?*

We have filed notice of the transaction which do not require approval in these states: AL, AZ, AR, CA, CO, CT, FL, GA, ID, IL, IN, IA, KS, KY, ME, MA, MI, MT, NV, NM, ND, OK, OR, RI, SC, SD, UT, WA, WI

Applications have been approved or are pending approval in these states: AK, DE, HI, LA, MD, MN, MS, NE, NH, NJ, NY, NC, OH, PA, TX, VT, VA, WV and WY

2. *Have you applied for approval from the FCC? If so, what is the Docket No. or File No.?*

A Joint International and Domestic Application for Transfer of Control was filed electronically with the FCC on Friday, October 1, 2004 by separate counsel. We do not yet have a file number.

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3. *Is the "Welsh Carson" group of companies aware that you wish to reduce its percentage of ownership to below 50% so that it will not have control of the ITDC companies after the elapse of the governance agreement? Provide a signed affidavit, signed and notarized by the principals of the Welsh Carson group advising the Authority of the group's understanding and agreement to the stock issue.*

Welsh Carson group of companies is aware of the proposed transactions and the effect it will have on its percentage of ownership. Welsh Carson, as majority shareholder of ITC^DeltaCom voted to move forward with the proposed transactions.

4. *Please forward copies of the existing credit facility agreements and a schedule of all borrowings containing date acquired, total amount available, amount currently borrowed and interest rate for each facility that will be guaranteed by FDN and NT.*

Detailed information regarding the credit facility agreements is available on the SEC website www.sec.gov as reported by ITC^DeltaCom, Inc.

5. *Provide the current balance sheet of FDN and NT. Provide a description of how the guarantee will be treated on the books.*

The balance sheet for Network Telephone is attached. The balance sheet for FDN will be forwarded under separate cover. Since the guarantee is a contingency for (GAAP) accounting purposes (i.e. no specific recordable liability arises as a result of the guarantee) other than financial statement disclosure of the existence of the guarantee, there is not separate accounting for it. The liability for the credit facility has already been recorded on the books of the company when it arose.

6. *Provide a schedule for each company presented in this Application listing the Docket No. Under which each company received its CCN and date it was authorized. Also provide the number of customers of each in Tennessee.*

DeltaCom received its authority to provide long distance telecommunications services in this state in Docket No. 95-02826, dated 9/8/95 and competitive local telecommunications services in Docket No. 96-01431, dated 1/2/97. DeltaCom has approximately 6,061 customers in Tennessee.

BTI is a North Carolina corporation that is authorized to provide long distance and competitive local exchange service in this State in Docket No 95-02947 as of 9/12/95 and 98-00126 as of 3/12/98.
BTI has approximately 1,485 customers in Tennessee.

FDN provides local, interexchange and high-speed Internet access services pursuant to the authority granted by this Commission Docket No. 04-00095, dated 7/23/04.
FDN has no customers in Tennessee.

NT is a Florida corporation that is authorized to provide competitive local exchange and long distances services in this State pursuant to Docket No. 98-00349 dated 2/2/99 and 00-000009.
NT has approximately 2,040 customers in Tennessee.

7. *Provide an affidavit confirming each company has registered and is in good standing with the Secretary of State in Tennessee.*

Please see attached affidavit.

8. *Confirm that the Application is requesting the following Authority action:*
- a. *Approval of the transfer of FDN's and NT's control and authority to ITCD.*
 - b. *Consent of the Authority to FDN's and NT's guarantee of the credit facilities of ITCD.*
 - c. *Approval of the reorganization by moving DeltaCom which is subsidiary of IFN into a first-tier company as a subsidiary of ITCD only.*

Yes. The Application is requesting the above authority action.

9. *Please confirm that there is no change of control or authority proposed between ITCD and its existing subsidiaries, IFN, BTI, and DeltaCom, because the subsidiaries are owned by ITCD now and will continue to be owned by ITCD after the stock issue.*

Yes. There is no change of control or other authority proposed between ITCD and its existing subsidiaries, IFN, BTI, and DeltaCom, because the subsidiaries are owned by ITCD now and will continue to be owned by ITCD after the stock issue.

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Enclosed please find an original and thirteen (13) copies of this response. Please date stamp and return the enclosed extra copy of this letter in the envelope provided.

Please call me should you have any questions concerning this filing. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "EllenAnn G. Sands", with a stylized, flowing script.

EllenAnn G. Sands

Enclosures

NT Corporation
Consolidated Balance Sheets
UNAUDITED

	<u>7/31/2004</u>	<u>6/30/2004</u>	<u>Difference</u>	<u>% Change</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 5,506,298	\$ 5,923,851	\$ (417,553)	-7 0%
Accounts receivable, net of allowance of \$876,939 and \$825,632 respectively	5,665,273	5,728,368	(63,095)	-1 1%
Prepaid expenses and other current assets	889,817	927,915	(38,098)	-4 1%
Total current assets	<u>12,061,388</u>	<u>12,580,134</u>	<u>(518,746)</u>	<u>-4 1%</u>
Property and equipment				
Warehouse Inventory	719,680	735,358	(15,678)	-2 1%
Customer Premise Equipment	14,280,802	14,008,481	272,321	1 9%
Switching equipment	122,474,237	122,455,111	19,126	0 0%
Office and data processing	29,281,010	29,272,209	8,801	0 0%
Construction-in-progress	-	-	-	0 0%
	<u>166,755,728</u>	<u>166,471,159</u>	<u>284,569</u>	<u>0 2%</u>
Accumulated depreciation	<u>(84,619,869)</u>	<u>(82,356,368)</u>	<u>(2,263,501)</u>	<u>2 7%</u>
	<u>82,135,859</u>	<u>84,114,791</u>	<u>(1,978,932)</u>	<u>-2 4%</u>
Intangible assets, net	<u>18,695</u>	<u>18,880</u>	<u>(185)</u>	<u>-1 0%</u>
Total assets	<u>\$ 94,215,942</u>	<u>\$ 96,713,805</u>	<u>\$ (2,497,863)</u>	<u>-2 6%</u>
Liabilities and shareholder's equity				
Current liabilities				
Accounts payable and accrued expenses	\$ 7,158,909	\$ 6,958,000	\$ 200,909	2 9%
Advanced billings	4,983,993	4,936,435	47,558	1 0%
Total current liabilities	<u>12,142,903</u>	<u>11,894,435</u>	<u>248,468</u>	<u>2 1%</u>
Long-term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>0 0%</u>
Capital Lease Penalty Note Payable	1,250,691	1,254,419	(3,728)	-0 3%
Total liabilities	<u>13,393,594</u>	<u>13,148,854</u>	<u>244,740</u>	<u>1 9%</u>
Redeemable preferred stock				
Convertible Preferred Stock, \$ 01 par value, Authorized shares - 60,000,000, Issued and outstanding shares - 51,956,366	370,861,945	367,515,548	3,346,397	0 9%
Shareholder's equity				
Common stock, par value \$0 01 Authorized shares - 60,000,000, Issued and outstanding shares - 9,408,441	94,267	94,267	-	0 0%
Deferred compensation	(4,941)	(5,578)	637	-11 4%
Additional paid-in capital	10,104,696	10,104,696	-	0 0%
Retained earnings (deficit)	<u>(300,233,619)</u>	<u>(294,143,982)</u>	<u>(6,089,637)</u>	<u>2 1%</u>
Total shareholder's equity	<u>80,822,348</u>	<u>83,564,951</u>	<u>(2,742,603)</u>	<u>-3 3%</u>
Total liabilities and shareholder's equity	<u>\$ 94,215,942</u>	<u>\$ 96,713,805</u>	<u>\$ (2,497,863)</u>	<u>-2 6%</u>

STATE OF LOUISIANA

COUNTY OF JEFFERSON

AFFIDAVIT

I, EllenAnn G. Sands certify that, after reviewing the public records and to the best of my knowledge it appears that the following entities:

ITC^DeltaCom Communications, Inc.
Business Telecom, Inc.
Southern Digital Network, Inc.
Network Telephone Corporation

are all registered and in good standing with the Tennessee Secretary of State.

BY: _____



NAME: EllenAnn G. Sands

TITLE: Counsel

DATE: October 11, 2004

Sworn and subscribed to before me this 11th day of October, 2004.



Notary Public

My Commission Expires: _____



BENJAMIN W. BRONSTON
Notary Public, State of Louisiana
My Commission is for Life.

